

ASX ANNOUNCEMENT
5 September 2023



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By email: Vanessa.Nevjestic@asx.com.au

VOLUME QUERY RESPONSE

We refer to your letter of today regarding an increase in the volume of trading in the Company's securities, and respond to your questions as follows:

1. Is CXU aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.

Response: No.

2. If the answer to question 1 is "yes": a) is CXU relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?; b) can an announcement be made immediately?; c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Response: Not applicable.

3. If the answer to question 1 is "no", is there any other explanation that CXU may have for the recent trading in its securities?

Response: The Company considers that the following may account for the increased volume traded in its securities:

Melrose Nickel-Copper-PGE Project EM Survey Results

Cauldron's Melrose Project lies in the highly prospective West-Yilgarn Craton, which is host to Chalice's Gonneville Ni-Cu-PGE Deposit at its Julimar Project, which has become one of the largest ortho-magnetic nickel-copper-PGE sulphide deposits in the world.

Cauldron has recently conducted an Electromagnetic (EM) Survey over a number of areas of interest, including Targets 01 and 04, where magnetic inversion modelling has defined large anomalies lying directly below shallow historical air-core drill-holes which returned elevated levels of nickel and copper.

The EM Survey aims to identify areas of conductivity co-incident with massive sulphides, which provide the geological setting for base metal deposits.

The EM Survey has been flown and the final data and analysis is expected within the next four weeks.

There is potential that some investors are positioning themselves in Cauldron in anticipation of the outcome of the EM Survey.

Cauldron's Yanrey Uranium Project

Cauldron's Yanrey Uranium Project is host to the Bennett Well Deposit which contains a Mineral Resource Estimate of 38.9Mt at 360ppm eU₃O₈, for total contained uranium-oxide of 30.9Mlb (13,990t) at 150ppm cut-off (see Appendix A), making it the 5th largest uranium deposit in Western Australia.

The current sentiment for uranium is extremely positive driven by a strong nuclear renaissance which is underway globally. Nuclear (fuelled by uranium) is seen by many countries as the only practical way of delivering on their net zero obligations.

Uranium has in recent days traded above the key barrier of US\$60 per pound, a near 10 year-high, having traded as low as US\$20/lb in early 2020 (source: *Trading Economics*).

ASX-listed uranium companies traded very strongly on Monday, 4 September 2023 with the majority seeing increased volume and higher share prices following Cameco Corporation, one of the world's largest producers of uranium accounting for about 16% of global production, advising that it will produce approximately 2.8m pounds less this year than previous guidance; which according to analysts is predicted to worsen the global uranium supply squeeze.

There is also considerable speculation in the media about the future of the nuclear industry in Australia.

The Company is of the view that it is likely that, due to a combination of the above factors, some investors may be positioning themselves in Cauldron.

Sale of Blackwood Gold Project

As announced earlier today, Cauldron has executed a sale and purchase agreement for the Blackwood Gold Project that realises \$300,000 cash for its 51% interest, with \$200,000 to be received this month, and the balance of \$100,000 to be received no later than 25 September 2024.

The desire to sell the Blackwood Gold Project has been advised by CXU to the market regularly over the past 9 months, and followed a strategic review which determined that the Blackwood Gold Project did not fit within the current strategy of the Company to focus on minerals critical to the global decarbonisation strategy.

Cauldron considers this is a favourable outcome for the Company and demonstrates to investors that management is successfully delivering on the turnaround strategy of the Company. Again, Cauldron expects that a track record of doing what you say you will do will lead to increased trading volumes in the stock going forward.

Corporate

The Company has been working hard recently under new management to address prior concerns about strategic direction and shareholder engagement; and has been actively engaging with the market and communicating its views on the attractiveness of the Company's Yanrey Uranium Project and Melrose Ni-Cu-PGE Project.

4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Response: We confirm that the Company is in compliance with the Listing Rules, and in particular, Listing Rule 3.1

This response has been authorised for release by Ian Mulholland, Non-Executive Chairman of Cauldron Energy Limited.

Yours sincerely
CAULDRON ENERGY LIMITED



MICHAEL FRY
COMPANY SECRETARY

For further information:

Inquiries may be directed to:

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Disclaimer

This response has been prepared by Cauldron Energy Limited ("Company") at the request of the ASX. The material contained in this report is for information purposes only, and is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company and neither this report nor anything contained in it shall form the basis of any contract or commitment.

This response may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Cauldron Energy Limited's business plans, intentions, opportunities, expectations, capabilities and other statements that are not historical facts. Forward-looking statements include those containing such words as could-plan-target-estimate-forecast-anticipate-indicate-expect-intend-may-potential-should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results to differ from those expressed in this market update. Because actual results might differ materially to the information in this report, the Company does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.

APPENDIX A

Bennet Well Mineral Resource

A Mineral Resource (JORC 2012) for the mineralisation at Bennet Well was completed by Ravensgate Mining Industry Consultants (Ravensgate) in 2015 and is based on information compiled by Mr Jess Oram, Executive Director of Cauldron Energy and Mr Stephen Hyland, who was a Principal Consultant of Ravensgate. Mr Oram is a Member of the Australasian Institute of Geoscientists and Mr Hyland is a Fellow of the Australasian Institute of Mining and Metallurgy.

The mineralisation at Bennet Well is a shallow accumulation of uranium hosted in unconsolidated sands close to surface (less than 100 m downhole depth) in Cretaceous sedimentary units of the Ashburton Embayment.

The Mineral Resource (JORC 2012) estimate is:

- Inferred Resource: 16.9 Mt at 335 ppm eU₃O₈ for total contained uranium-oxide of 12.5 Mlb (5,670 t) at 150 ppm cut-off.
- Indicated Resource: 21.9 Mt at 375 ppm eU₃O₈ for total contained uranium-oxide of 18.1 Mlb (8,230 t) at 150 ppm cut-off.
- total combined Mineral Resource: 38.9 Mt at 360 ppm eU₃O₈, for total contained uranium-oxide of 30.9 Mlb (13,990 t) at 150 ppm cut-off.

Table 1: Mineral Resource (JORC 2012) at various cut-off

Deposit	Cut-off (ppm eU ₃ O ₈)	Deposit Mass (t)	Deposit Grade (ppm eU ₃ O ₈)	Mass U ₃ O ₈ (kg)	Mass U ₃ O ₈ (lbs)
Bennet Well_Total	125	39,207,000	355	13,920,000	30,700,000
Bennet Well_Total	150	38,871,000	360	13,990,000	30,900,000
Bennet Well_Total	175	36,205,000	375	13,580,000	29,900,000
Bennet Well_Total	200	34,205,000	385	13,170,000	29,000,000
Bennet Well_Total	250	26,484,000	430	11,390,000	25,100,000
Bennet Well_Total	300	19,310,000	490	9,460,000	20,900,000
Bennet Well_Total	400	10,157,000	620	6,300,000	13,900,000
Bennet Well_Total	500	6,494,000	715	4,640,000	10,200,000
Bennet Well_Total	800	1,206,000	1175	1,420,000	3,100,000

Deposit	Cut-off (ppm U ₃ O ₈)	Deposit Mass (t)	Deposit Grade (ppm U ₃ O ₈)	Mass U ₃ O ₈ (kg)	Mass U ₃ O ₈ (lbs)
BenWell_Indicated	125	22,028,000	375	8,260,000	18,200,000
BenWell_Indicated	150	21,939,000	375	8,230,000	18,100,000
BenWell_Indicated	175	21,732,000	380	8,260,000	18,200,000
BenWell_Indicated	200	20,916,000	385	8,050,000	17,800,000
BenWell_Indicated	250	17,404,000	415	7,220,000	15,900,000
BenWell_Indicated	300	13,044,000	465	6,070,000	13,400,000
BenWell_Indicated	400	7,421,000	560	4,160,000	9,200,000
BenWell_Indicated	500	4,496,000	635	2,850,000	6,300,000
BenWell_Indicated	800	353,000	910	320,000	700,000

Deposit	Cut-off (ppm U ₃ O ₈)	Deposit Mass (t)	Deposit Grade (ppm U ₃ O ₈)	Mass U ₃ O ₈ (kg)	Mass U ₃ O ₈ (lbs)
BenWell_Inferred	125	17,179,000	335	5,750,000	12,700,000
BenWell_Inferred	150	16,932,000	335	5,670,000	12,500,000
BenWell_Inferred	175	14,474,000	365	5,280,000	11,600,000
BenWell_Inferred	200	13,288,000	380	5,050,000	11,100,000
BenWell_Inferred	250	9,080,000	455	4,130,000	9,100,000
BenWell_Inferred	300	6,266,000	535	3,350,000	7,400,000
BenWell_Inferred	400	2,736,000	780	2,130,000	4,700,000
BenWell_Inferred	500	1,998,000	900	1,800,000	4,000,000
BenWell_Inferred	800	853,000	1285	1,100,000	2,400,000

Note: table shows rounded numbers therefore units may not convert nor sum exactly

Competent Person Statements

Mineral Resource Estimates

The information in this report that relates to Mineral Resources for the Bennett Well Deposit is extracted from a report released to the Australian Securities Exchange (ASX) on 17 December 2015 titled “Substantial Increase in Tonnes and Grade Confirms Bennet Well as Globally Significant ISR Project” and available to view at www.cauldronenergy.com.au and for which Competent Persons’ consents were obtained. Each Competent Person’s consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 17 December 2015 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original ASX announcement.



4 September 2023

Reference: ODIN79403

Mr Michael Fry
Company secretary
Cauldron Energy Limited
Unit 2, Ground Floor
420 Bagot Road
Subiaco, Western Australia 6008

By email: mbf@forcecommodities.com.au

Dear Mr Fry

Cauldron Energy Limited ('CXU'): Volume - Query

ASX refers to the following:

A. The significant increase in the volume of CXU's securities traded today.

Request for information

In light of this, ASX asks CXU to respond separately to each of the following questions and requests for information:

1. Is CXU aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is CXU relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in CXU's securities would suggest to ASX that such information may have ceased to be confidential and therefore CXU may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that CXU may have for the recent trading in its securities?
4. Please confirm that CXU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that CXU's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CXU with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11:15 AM AWST Monday, 4 September 2023**. You should note that if the information

requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CXU's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CXU to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in CXU's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CXU's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CXU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CXU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Vanessa Nevjestic
Senior Adviser, Listings Compliance